Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Division regarding a medical fee dispute between the requestor and the respondent named above. This dispute was received on 4/5/04.

I. DISPUTE

Whether there should be additional reimbursement for hospital admission of 8/8/03 through 8/12/03, reduced or denied on the basis of "N" – not documented and "U" – unnecessary medical treatment, "G" – unbundled services and "D" - duplicate.

II. RATIONALE

During the respondent's audit of the disputed services, the carrier improperly carved out the charges for the implantables. The implantables were denied by the carrier as not properly documented and payment was denied because the requestor failed to furnish the implantable invoices. Per Rule 134.401 (c)(4)(A)(i) it is necessary to file copies of the of the implantable invoices only when stop loss is not in effect with a total audited bill below $40,000.00. The requestor did not properly rebut the denial reasons, as required per Rule 133.304(k)(3).

Audit reductions are made per Rule 133.1, 133.301 and 134.401. Per Rule 134.401 (c)(6)(v), "Audited charges are those charges which remain after a bill review by the insurance carrier has been performed."

The requestor furnished a preauthorization letter from the carrier, dated 7/1/03, indicating spinal surgery was approved for a 2 day hospital stay. The billing records indicate the claimant was admitted 8/8/03 and discharged 8/12/03. There was no documentation submitted, by either party, indicating a concurrent review had been obtained prior to discharge. Therefore, all dates of service other than the admission date and the date following are not eligible for review under stop loss. Additionally, the carrier denied services as not medically necessary. The requestor was ordered to pay the IRO fee as per Rule 133.307. The requestor failed to do so and therefore, the services denied for lack of medical necessity were dismissed by the Commission. These reduced the total bill, as per Rule 133.301(a), by $7,174.00 from $47,595.00 to $40,421.00.

According to Rule 134.401 (b)(2)(A) all hospitals are required to bill usual and customary. The requestor billed usual and customary. The carrier's audit (EOBs) and response failed to prove the requestor's charges, for the implantables, were not their usual and customary. Consequently, without the appropriate audits per §133.301 and 134.401, the total of these disputed/audited charges exceed $40,000.00. However the carrier attempted to raise this issue in a subsequent EOB, dated after MDR was filed. Per Rule 133.307(j)(2), this reason cannot be injected as a defense for this review.

According to Rule 134.401(c)(6), the services in dispute are to be reimbursed per the Stop-Loss Method. Stop-loss is an independent methodology established to ensure fair and reasonable compensation to the hospital for unusually costly services rendered during treatment to an injured worker. Rule 134.401(c)(6)(A)(i) states that to be eligible for stop-loss payment the total audited charges for a hospital admission must exceed $40,000. The reimbursement for the entire audited admission shall be paid using a Stop-Loss Reimbursement Factor (SLRF) of 75%. The Stop-Loss Reimbursement Factor is multiplied by the total audited charges to determine the Workers Compensation Reimbursement Amount (WCRA) for the admission.

Rule 134.401(c)(6)(B) states the formula for calculating the appropriate reimbursement is:

Audited Charges x SLRF = WCRA."

$47,595.00	Total billed charges
7,174.00	Proper audit reductions
40,421.00	Total audited charges
x 75%	SLRA
30,315.75	Total recommended reimbursement
- 7,504.00	Payments made
$ 22,811.75	Additional reimbursement recommended (WCRA)

III. DECISION & ORDER

Based upon the review of the disputed healthcare services within this request, the Division has determined that the requestor **is** entitled to reimbursement for hospital admission of 8/8/03 through 8/9/03**.** Pursuant to Sections 402.042, 413.016, 413.031, and 413.019 the Division hereby ORDERS the Respondent to remit **$22,811.00** plus all accrued interest due at the time of payment to the Requestor within 20 days receipt of this Order.

The above Findings, Decision and Order are hereby issued this 4th day of November, 2004.

Noel L. Beavers
Medical Dispute Resolution Officer
Medical Review Division

Hilda H. Baker, Manager
Medical Dispute Resolution
Medical Review Division

HHB/nlb